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21 June 1961

The EIC Subcommittee on Petroleum

Annual Report

Fiscal Year 1961

A. Activities of the Subcommittee During Fiscal Year

1. Review of the Intelligence Product

The Subcommittee considers the intelligence product to be responsive to the missions and responsibilities of member agencies.

2. Research and Collection Deficiencies

a. Research Deficiencies

The priority deficiencies of research which have been identified by the Subcommittee are included in EIC-S-1/4, 15 June 1958. These listings are under continuing review and are considered to reflect current deficiencies.

b. Collection Deficiencies

The Subcommittee reviewed CIA/ORR statements of gaps in intelligence on the following: Communist China - Petroleum, and Poland - Petroleum Industry. In each case the statements were accepted by the Subcommittee as representing full statements of gaps in intelligence on the respective items. Furthermore, it was the consensus of the Subcommittee that the order of priority given in the statements was satisfactory.

The Subcommittee believes that the ORR statements may be used as a basis for SC statements of Priority Collection Deficiencies and will respond to directives from the EIC in this respect.

3. Review of Substantive Papers

The Subcommittee formally reviewed the following substantive papers:

<u>Title</u>	<u>Preparing Agency</u>
A Study of the Petroleum and Natural Gas Industry and the Petroleum and Natural Gas Possibilities of Communist China, as of January 1, 1960 (C)	488th Strategic Intelligence Detachment, Dallas, Texas

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Objectives, Capabilities, and Vulnerabilities of the Petroleum and Natural Gas Industries of the USSR During the Period 1959 to 1972 (Supplementary Study as of January 1, 1960) (C)

488th Strategic
Intelligence Detach-
ment, Dallas, Texas

It was the considered opinion of the Subcommittee that these papers were quite competent in their content, considering the limited information available to the preparing group.

4. Review of Proposals for External Research

No proposals for external research were brought to the attention of the Subcommittee during Fiscal Year 1961.

5. Maintenance of Agreed Basic Statistics

The Subcommittee developed agreed basic statistics covering the major elements of the petroleum economy of each country of the Sino-Soviet Bloc for 1960. The Subcommittee plans to continue the annual up-dating of these statistics.

6. Projects Undertaken at the Request of the EIC or Proposed to the EIC

The Subcommittee has nothing to report.

7. Intelligence Research Techniques

The Subcommittee has nothing to report.

8. Special Coordination Functions of the Subcommittee

25X1X4

9. Evaluation of the Role of the Subcommittee

a. The Subcommittee continues to function actively in its role of coordinating and furthering economic intelligence research in the field of petroleum. The Subcommittee also serves as a valuable medium for the exchange of ideas and information of mutual interest to the members of the intelligence community.

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b. CIA remains the only member agency which now carries out formal economic research on petroleum in the Sino-Soviet Bloc. The other participants are responsible primarily for development of current and staff intelligence.

B. Future Program of the Subcommittee

The Petroleum Subcommittee plans to continue a program of activity which includes bi-monthly meetings, reviews of substantive papers where possible, the development of agreed basic statistics, and special projects in accordance with those responsibilities outlined in the EIC Handbook and in the Subcommittee Terms of Reference.

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